

# **ISS Project Phase 2: External Sector Statistics (ESS) of Labuan Entities**

- Implementation Plan with LFSA and Reporting Requirements

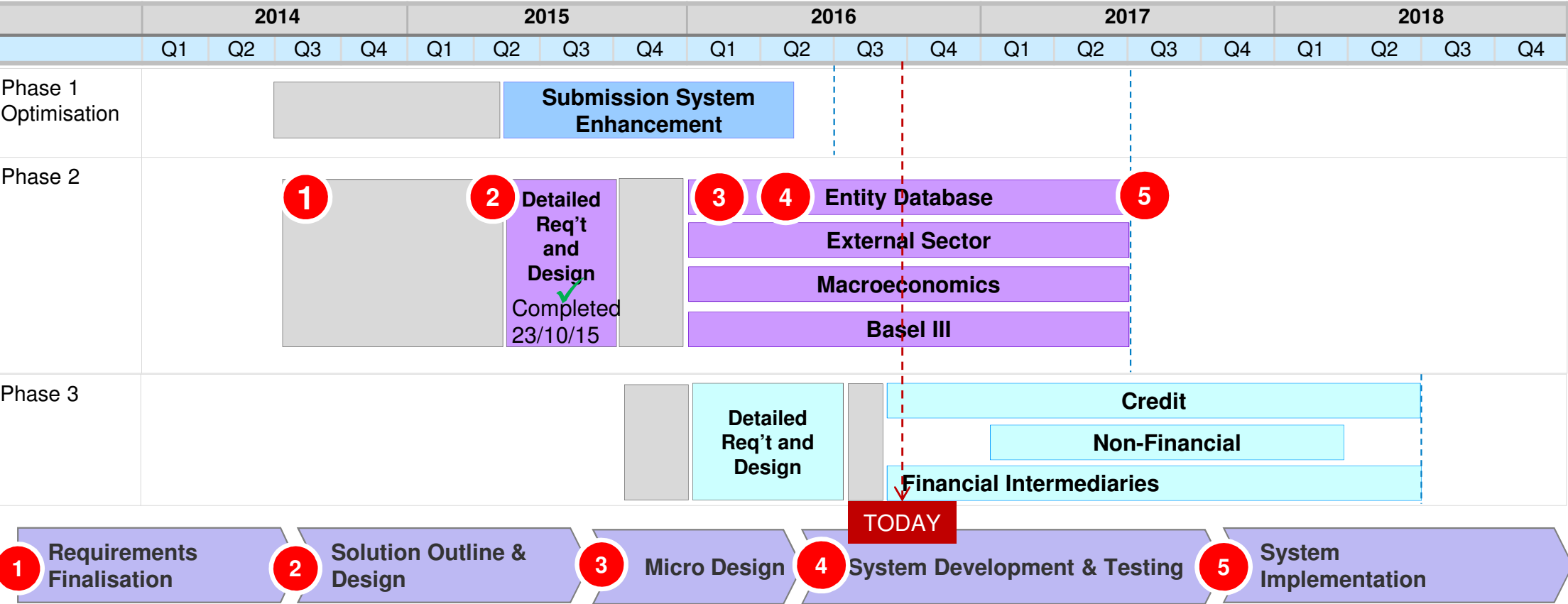
Jabatan Perkhidmatan Statistik  
4 - 6 October 2016

# Agenda and Purpose

No.	Agenda	Purpose
1	Integrated Statistical System (ISS): i. Overall Implementation Plan and Progress ii. Activities and Implementation Plan with LFSA and Labuan Entities	For information
2	Reporting Requirements: i. Overview of External Sector Statistics ii. Reporting Requirements for LFSA	For information
3	Other Matters	For discussion

# ISS Project Overall Implementation Plan and Progress

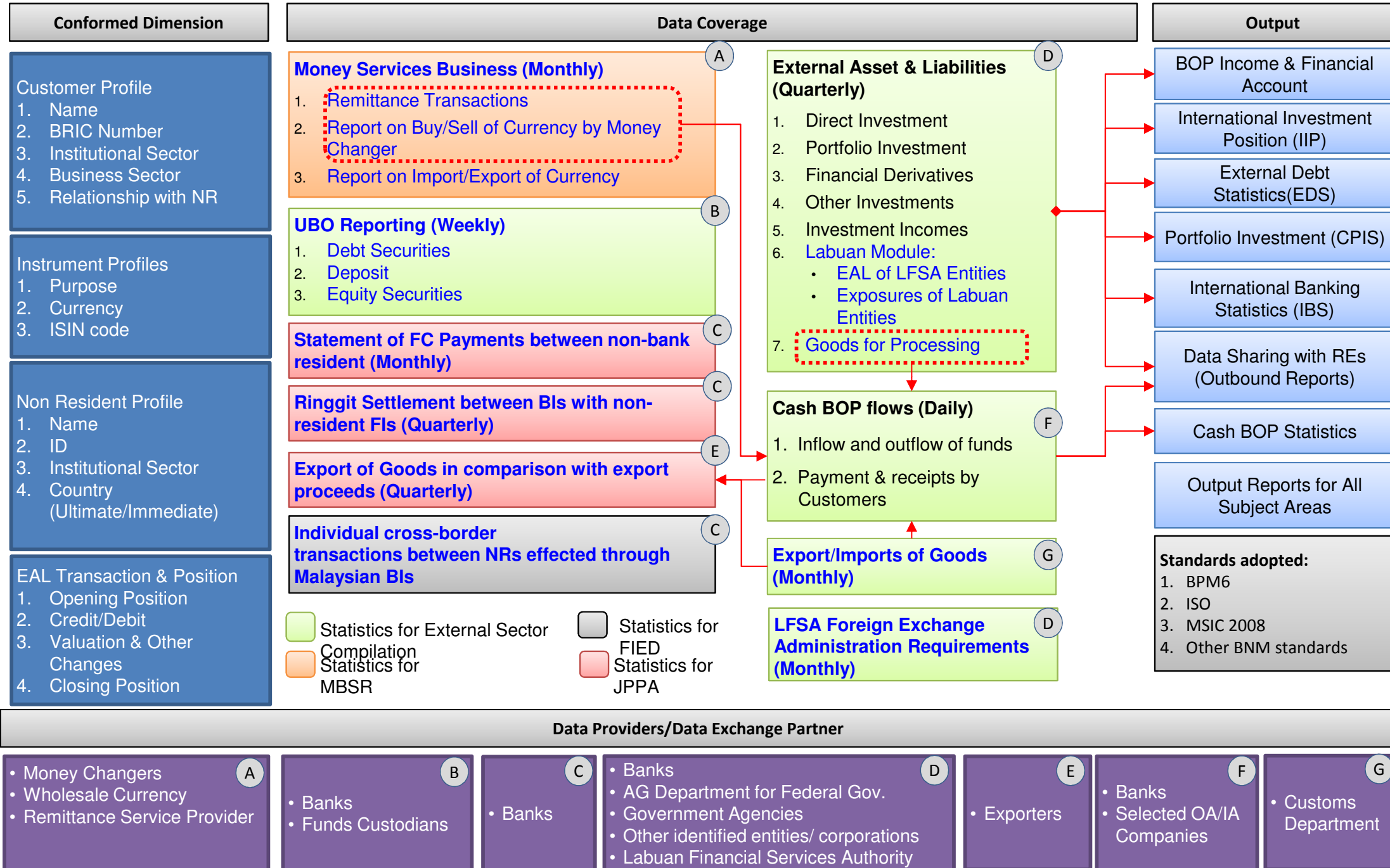
1. External Sector development finalised reporting specifications for the FIs on 31 May 2016.
2. System specifications will be finalised by end-September 2016.
3. Target for completion and deployment by end-2Q 2017.



# ISS Phase 2: Activities and Implementation Plan

Prior to Oct 2016	Oct 2016 – Jun 2017	July 2017 onwards
<b>LFSA</b>		
<p>a) Engagement on the proposed external sector reporting together with Jabatan Pentadbiran Pertukaran Asing (26 Mar 2015).</p> <p>b) BNM issued 1<sup>st</sup> draft reporting specifications to LFSA (10 April 2016).</p> <p>c) Engagement on reporting requirements and proposed engagement at Labuan (22 April 2016).</p>	<p>a) Engagement session on ISS Proposed Implementation Plan (4 – 6 Oct 2016)</p> <ul style="list-style-type: none"> <li>• Review of survey frame</li> <li>• Current/Future EAL reporting</li> <li>• User Interface (UI) walkthrough for LFSA Admin</li> </ul> <p>b) Identified sources of data to meet ISS Phase 2 requirements.</p> <p>c) UAT with BNM (April 2017).</p>	<p>a) Hands-on training to LFSA (24 July – 11 August 2017)</p> <ul style="list-style-type: none"> <li>• Admin module</li> <li>• Survey frame update</li> </ul> <p>b) Logistic arrangement for hands-on practical training to LFSA Reporting Entities (REs).</p>
<b>Labuan Entities</b>		
	<p>a) Engagement session with Banking Institutions and Non-bank REs (5 – 6 Oct 2016)</p> <ul style="list-style-type: none"> <li>• Reportable data items</li> <li>• UI walkthrough on ISS Submission Portal.</li> </ul> <p>b) Identified sources of data to meet ISS Phase 2 requirements.</p>	<p>a) Ensure EAL data readiness based on new dimensions and classifications based on ISS requirements (Aug 2017).</p> <p>b) Hands-on practical training to LFSA REs on new submission system (24 July – 11 August 2017)</p> <ul style="list-style-type: none"> <li>• Banking institutions</li> <li>• Non-bank reporting entities</li> </ul>

# Overview of External Sector Statistics



# Reporting Requirements for LFSA... EAL for Labuan

Inclusion of new data items and dimensions to align with IMF BPM6 classifications:

## 1. EAL vis-à-vis Non-Residents (NRs):

Type of Data Item	Non-Resident Profile	Instrument Profile	EAL Transaction & Position
<u>Financial Assets</u> 1. Direct Investment 2. Portfolio Investment 3. Financial Derivatives 4. Other Investment Slide 10	1. Institutional Sector Slide 11 2. Immediate country 3. Business Sector (for Equity Capital only) Slide 12 4. Relationship of RE with NRs (for Direct Investment only) Slide 13	1. Currency 2. ISIN profile: <ul style="list-style-type: none"> <li>• ISIN Code</li> <li>• Issuer Country</li> <li>• Issuer Institutional Sector</li> </ul> 3. Maturity Structure	1. Opening Position 2. Credit/Debit 3. Adjustment 4. Closing Position 5. Investment Income
<u>Financial Liabilities</u> 1. Direct Investment 2. Portfolio Investment 3. Financial Derivatives 4. Other Investment			

## 2. Portfolio Investment of Clients:

Type of Data Item	Non-Resident Profile	Instrument Profile	EAL Transaction & Position
<u>Financial Assets and Liabilities</u> 1. Portfolio Investment Slide 14	1. Institutional Sector (Holder/ Issuer) 2. Country	1. Currency 2. ISIN profile <ul style="list-style-type: none"> <li>• ISIN Code</li> <li>• Issuer Country</li> <li>• Issuer Institutional Sector</li> </ul>	1. Opening Position 2. Credit/Debit 3. Adjustment 4. Closing Position 5. Investment Income

**Other Matters**

**Thank You**

# Phase 2: Activities and Implementation Plan with FIs

Jan – Apr 2016	May – July 2016	Aug 2016 – Feb 2017	Nov 2016 – May 2017	June - Jul 2017
<p>BNM Roles:</p> <ul style="list-style-type: none"> <li>a) 2<sup>nd</sup> industry briefing on reporting requirements (21 January).</li> <li>b) Issued 1<sup>st</sup> draft reporting specifications to FIs (22 March).</li> <li>c) Met FIESWG to discuss on draft reporting specification (19 April).</li> <li>d) Issued the Operational and Data Readiness Surveys to FIs (19 April).</li> <li>e) 3<sup>rd</sup> industry briefing on reporting specifications (27 April).</li> <li>f) Finalisation of micro design detailing the end-to-end solution for submission, processing, storage and dissemination of data.</li> </ul>	<p>BNM Roles:</p> <ul style="list-style-type: none"> <li>a) System development work starts.</li> <li>b) Finalised reporting specifications (end-May).</li> <li>c) 1<sup>st</sup> draft ESS DSS Interface Specifications (June), followed by FIESWG Meeting and Industry Briefing on technical specifications (July).</li> <li>d) Direct engagement with individual FI on request basis (<i>as and when</i>).</li> </ul> <p><b>FIs Roles:</b></p> <ul style="list-style-type: none"> <li>a) Identify sources of data to meet ISS Phase 2 requirements.</li> <li>b) Establish ISS Project Team and implementation structure.</li> <li>c) Allocate budget and resources.</li> <li>d) Identify implementation approach and action plan.</li> <li>e) Feedback on additional DSS functionalities to BNM.</li> </ul>	<p>BNM Roles:</p> <ul style="list-style-type: none"> <li>a) EAL SIT (Aug – Oct 2016): <ul style="list-style-type: none"> <li>i. Prepare for testing.</li> <li>ii. Perform test readiness review.</li> <li>iii. Perform SIT.</li> </ul> </li> <li>b) Cash BOP and Others SIT (Sep 2016 – Feb 2017): <ul style="list-style-type: none"> <li>i. Prepare for testing.</li> <li>ii. Perform test readiness review.</li> <li>iii. Perform SIT.</li> </ul> </li> <li>c) Finalised ESS DSS Interface Specifications (September).</li> <li>d) 1<sup>st</sup> draft Reporting Guidelines (September).</li> </ul> <p><b>FIs Roles:</b></p> <ul style="list-style-type: none"> <li>a) Develop or enhance current internal system to meet ISS phase 2 requirements.</li> </ul>	<p>BNM Roles:</p> <ul style="list-style-type: none"> <li>a) Finalised Reporting Guidelines (November).</li> <li>b) Data migration and cleaning the entity information in collaboration with FIs.</li> <li>c) UAT for BNM – EAL (Nov 2016 – April 2017) and Cash BOP and Others (Jan – April 2017): <ul style="list-style-type: none"> <li>i. Prepare for testing.</li> <li>ii. Perform test readiness review.</li> <li>iii. Perform UAT.</li> </ul> </li> <li>d) Training to FIs (May).</li> </ul> <p><b>FIs Roles:</b></p> <ul style="list-style-type: none"> <li>a) Completion of internal system development for UAT with BNM (April).</li> </ul>	<p>BNM Roles:</p> <ul style="list-style-type: none"> <li>a) Operational readiness test before deployment (June 2017).</li> <li>b) System roll out (July 2017).</li> <li>c) Data submission upon implementation on 1 July 2017: <ul style="list-style-type: none"> <li>i. Cash BOP .</li> <li>ii. Compliance reporting.</li> <li>iii. UBO.</li> </ul> </li> <li>d) EAL reporting: <ul style="list-style-type: none"> <li>i. 2Q via ITEPS (15 July 2017).</li> <li>ii. 3Q via ISS (15 October 2017).</li> </ul> </li> </ul> <p><b>FIs Roles:</b></p> <ul style="list-style-type: none"> <li>a) Ensure system and data is ready for submission from July 2017 onwards.</li> <li>b) Ensure EAL data readiness based on new dimensions and classifications for migration to new system (August 2017).</li> </ul>



## EAL vis-à-vis NR... breakdown of data items by type

No.	Data Item	No.	Data Item
<b>Direct Investment (Exposure with Related Counterparty)</b>			
1	Equity Capital	8	Financial Derivatives
2	Investment Fund Shares	9	Loans
3	Retained Earnings	10	Supplier Credit
4	Bonds and Notes	11	Deposits
5	Money Market Instruments	12	Insurance, Pension and Standardised Guarantee Schemes
6	Non-participating RPS	13	Others
7	Real Estates		
<b>Portfolio Investment</b>			
1	Equity Securities	4	Money Market Instruments
2	Investment Fund Shares	5	Non-participating RPS
3	Bonds and Notes		
<b>Financial Derivatives</b>			
1	Swaps	4	Options
2	Forwards	5	Other Financial Derivatives
3	Futures	6	Employee Stock Options
<b>Other Investment (Exposure with Non-related Counterparty)</b>			
1	Currency	4	Deposits
2	Loans	5	Insurance, Pension and Standardised Guarantee Schemes
3	Supplier Credit	6	Others

# Non-Resident Institutional Sector

No.	Institutional Sector
1	Central Bank
2	General Government
3	Deposit Taking Corporations except Central Bank
4	Other Sectors
4.1	Other Financial Corporations
4.1.1	Money Market Funds (MMFs)
4.1.2	Non-MMF Investment Funds
4.1.3	Other Financial Intermediaries except ICPFs
4.1.4	Financial Auxiliaries
4.1.5	Captive Financial Institutions and Money Lender
4.1.6	Insurance Corporations
4.1.7	Pension Funds
4.2	Nonfinancial Corporations, Households, and NPISHs
4.2.1	Nonfinancial Corporations
4.2.2	Households
4.2.3	NPISHs
5	International Organizations

## Non-Resident Business Sector

No.	Business Sector Description	No.	Business Sector Description
1	Agriculture, Forestry and Fishing	12	Real Estate Activities
2	Mining and Quarrying	13	Professional, Scientific and Technical Activities
3	Manufacturing	14	Administrative and Support Service Activities
4	Electricity, Gas, Steam and Air Conditioning Supply	15	Public Administration and Defence; Compulsory Social Security
5	Water Supply; Sewerage, Waste Management and Remediation Activities	16	Education
6	Construction	17	Human Health and Social Work Activities
7	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	18	Arts, Entertainment and Recreation
8	Transportation and Storage	19	Other Service Activities
9	Accommodation and Food Service Activities	20	Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households for Own Use
10	Information and Communication	21	Activities of Extraterritorial Organisations and Bodies
11	Financial and Insurance/ Takaful Activities		

## Non-Resident Relationship of RE with NRs

No.	Non-Resident Relationship	Definition
1	Parent	A company that owns or/and controls a subsidiary by acquiring more than 50% of the ordinary shares in the subsidiary.
2	Head Office	Head office constitutes the direct investor of the enterprise and viewed as having a financial investment in the local enterprise(s).
3	Direct Investor	Individuals; incorporated or unincorporated private or public enterprises; associated groups of individuals or enterprises; governments or government agencies; or estates, trusts, or other organizations that own 10 percent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise) in direct investment enterprises in economies other than those in which the direct investors reside.
4	Subsidiary	A company whose ordinary shares are more than 50% owned by another company (which usually referred to as the parent company).
5	Associate	A company in which a direct investor or a subsidiary owns 10% to 50% of the ordinary shares and have a direct investment interest in the company.
6	Branch	A company which is wholly or jointly owned by unincorporated company either directly or indirectly.
7	Affiliate	Companies which share the same Parent Company or individual owner with a separate incorporated business.
8	Not Related	No relationship between resident reporting entity and non-resident counterparty.

## Portfolio Investment of Clients... breakdown of data items by purpose codes

No.	Type of Data Item	Purpose Code	Purpose Description
<b>Portfolio Investment</b>			
1	Equity Securities	36110	Issued by residents in domestic capital market
		36120	Issued by residents in international capital market
		36130	Issued by non-residents
2	Bonds and Notes	36210	Issued by residents in domestic capital market
		36220	Issued by residents in international capital market
		36230	Issued by non-resident
3	Money Market Instruments	36310	Issued by residents in domestic capital market
		36320	Issued by residents in international capital market
		36330	Issued by non-residents
10	Non-participating RPS	31310	Non-Participating RPS